

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE NOLIN RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR AN ORDER)	
PURSUANT TO KRS 278.300 AND 807 KAR 5:001,)	
SECTION 11 AND RELATED SECTIONS)	CASE NO.
AUTHORIZING THE COOPERATIVE TO OBTAIN A)	2005-00493
LOAN IN THE AMOUNT OF \$24,000,000.00 FROM)	
THE NATIONAL RURAL UTILITIES COOPERATIVE)	
FINANCE CORPORATION)	

FIRST DATA REQUEST OF COMMISSION STAFF
TO NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION

Nolin Rural Electric Cooperative Corporation ("Nolin"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 5 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before January 10, 2006. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. Provide a description of the contractual relationship between Nolin and Fort Knox as it relates to the “Demand Side Management and Cost Containment” projects. Include in this description a discussion of what Nolin provides to Fort Knox on these projects and the rights and responsibilities of Nolin and Fort Knox under the contract.

2. In Case No. 2003-00079¹ the Commission authorized Nolin to borrow \$35,000,000 from the National Rural Utilities Cooperative Finance Corporation (“CFC”) for a 15-year period in conjunction with the Fort Knox contract.

a. Describe the status of this loan as of the date of the Application in this case.

b. Prepare a schedule showing the end of the month outstanding balance on this loan for each month in the period May 2003 through November 2005.

3. Concerning the proposed \$24,000,000 term loan:

a. Explain why Nolin is seeking approval for a \$24,000,000 loan. Include in this explanation the reason(s) why this additional level of indebtedness is needed.

b. Explain how the amount of \$24,000,000 was determined. Include any analysis or study Nolin has performed to determine its financing needs with regard to the Fort Knox contract.

¹ Case No. 2003-00079, The Application of Nolin Rural Electric Cooperative Corporation for an Order Pursuant to KRS 278.300 and 807 KAR 5:001, Section 11 and Related Sections Authorizing the Cooperative to Borrow an Amount Not to Exceed \$35,000,000 from the National Rural Utilities Cooperative Finance Corporation, final Order dated April 17, 2003.

4. Provide a description of the terms and conditions of the proposed \$24,000,000 term loan from CFC. The description should include a discussion of the term of the loan, the determination of the interest rate, the repayment provisions, and any charges or fees required by CFC for this loan.

5. Provide copies of the Loan Agreement referenced in Exhibit Nos. 5 and 6 of the Application.

6. Exhibit No. 6 of the Application also references a \$24,000,000 line of credit from CFC.

a. Is this line of credit also associated with the Fort Knox contract? Explain the response.

b. Explain the purpose of the \$24,000,000 line of credit. Include a discussion of all terms and conditions of the \$24,000,000 line of credit and how the amount of \$24,000,000 was determined.

c. When does Nolin plan to seek Commission approval for this line of credit?

d. Explain why approval of the \$24,000,000 line of credit was not included as part of this Application.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED December 21, 2005

cc: All Parties